

Tax Year \_\_\_\_\_

**CREDIT FOR WIND ENERGY PRODUCERS****MONTANA**  
Form 2WPC  
Rev. 8-96**Instructions on back**  
MCA 15-32-401 through 407

1. Enter amount of eligible wind energy equipment investment..... 1. \_\_\_\_\_
2. Enter amount of federal wind energy credit claimed..... 2. \_\_\_\_\_
3. Enter location of wind energy producing assets \_\_\_\_\_
4. Montana taxable income from your Montana individual tax return..... 4. \_\_\_\_\_
5. Adjusted gross income attributable to eligible wind energy equipment..... 5. \_\_\_\_\_  
(if the wind energy production income is from a business, a portion of which qualifies and a portion which does not, the allocation schedule below must be used to calculate this line.)
6. Subtract line 5 from line 4..... 6. \_\_\_\_\_
7. Enter total tax as shown on tax return (line 40, Form 2)..... 7. \_\_\_\_\_
8. Calculate tax amount on line 6, using tax table on Form 2..... 8. \_\_\_\_\_
9. Subtract line 8 from line 7 to calculate income tax attributable to wind energy production. .... 9. \_\_\_\_\_
10. Enter 35% (.35) of line 1 to calculate Montana wind energy credit; carryforward \$ \_\_\_\_\_ include in total..... 10. \_\_\_\_\_
11. Enter 60% (.60) of line 1..... 11. \_\_\_\_\_
12. Enter amount of federal wind energy credit from line 2 above..... 12. \_\_\_\_\_
13. Subtract line 12 from line 11..... 13. \_\_\_\_\_
14. Allowable credit for this tax year - the lesser of line 9, line 10 or line 13. Enter here and on Schedule II, Form 2A..... 14. \_\_\_\_\_

**Income Allocation Schedule**

<b>(a) Total</b>		<b>(b) Montana</b>		<b>(c) Factor</b> (b) divided by (a) = (c)	
1. Business Property	\$ _____	Wind Energy Related Property	\$ _____	_____	%
2. Business Payroll	\$ _____	Wind Energy Related Payroll	\$ _____	_____	%
3. Business Sales	\$ _____	Wind Energy Related Sales	\$ _____	_____	%
4. Sum of Factors (Lines 1,2,&3).....				_____	%
5. One third of line 4.....				_____	%
6. Adjusted gross income from business.....				\$ _____	
7. Allocated wind energy income..... (Line 6 times line 5) Enter here and on line 5 above.				\$ _____	

**ATTACH THIS FORM TO YOUR RETURN**

## INSTRUCTIONS FOR WIND ENERGY PRODUCERS CREDIT FORM

- The purpose of the Wind Energy Producers Act is to encourage the development of the wind energy industry in Montana without adversely affecting present revenues. The credit is allowed for individuals, partnerships, small business corporations and regular corporations.
- In order to qualify the investment must be:
  - \$5,000 or more
  - depreciable under I.R.C. section 38
  - located in Montana
- The credit is 35% of eligible costs. The eligible costs are those that are associated with the purchase, installation, or upgrading of:
  - generating equipment
  - safety devices and storage equipment
  - transmission lines necessary to connect with existing transmission facilities; and
  - transmission lines necessary to connect directly to the purchaser of the electricity when no other transmission facilities are available.
- The credit is to be taken against taxes due as a consequence of taxable or net income produced by the following:
  - Montana manufacturing plant that produces wind energy generating equipment.
  - New business facility or expanded portion of business facility which uses wind energy as a basic energy source.
  - Wind energy generating equipment.

All of the above are defined as "Wind Energy Related".

- In the case of a business, a portion of which qualifies for this credit and a portion of which does not qualify, taxes due from each portion must be separated by using the three-factor formula provided in section 15-31-305, MCA.
- Limitation on credit. If the taxpayer claims a federal credit under I.R.C. section 48 (1) the state credit must be reduced so that the sum of the credit, federal and state does not exceed 60% of the eligible costs. If a state credit is claimed under this act no other state energy credit or state investment tax credit may be claimed for the investment. You also may not claim the property tax exemption for nonfossil energy property, allowed under 15-6-201(3) MCA, on property for which the wind energy generation credit is claimed.
- Carryover of credits. The unused portion of the tax credit, which exceeds the tax liability generated by the asset, may be carried over up to seven years. The credit is first to be claimed in the year the asset was placed in service and the excess credit then carried forward.
- The equipment must be placed in service after December 31, 1982 in order to be eligible.

Questions? Please call 1-406-444-3674 or TDD 1-406-444-2830 for hearing impaired. ☎